

MARCH 14, 2008MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
WESTERN DIVISION****08 C 50041**

TEGRANT ALLOYD BRANDS, INC.,)	
)	
Plaintiff,)	
)	
v.)	No.
)	
U.S. MERCHANTS, INC. and The)	
MERCHANT OF TENNIS, INC.,)	
)	
Defendants.)	

**JUDGE KAPALA
MAGISTRATE JUDGE MAHONEY****COMPLAINT**

Plaintiff, Tegrant Alloyd Brands, Inc. ("Tegrant"), by its attorneys, Seyfarth Shaw LLP, for its Complaint against defendants, U.S. Merchants, Inc. ("U.S. Merchants") and the Merchant of Tennis, Inc. ("Merchant of Tennis") states as follows:

NATURE OF ACTION

1. This is an action for \$ 1,773,844.91 owed by U.S. Merchants and Merchant of Tennis to Tegrant for products sold by Tegrant and received by U.S. Merchants and Merchant of Tennis.

THE PARTIES

2. Plaintiff, Tegrant, is a Delaware corporation with its principal place of business in DeKalb, Illinois.

3. On information and belief, defendants, U.S. Merchants, Inc. and the Merchant of Tennis, Inc., are foreign corporations with principal places of business in Los Angeles, California.

JURISDICTION

4. This court has original jurisdiction of this action under 28 U.S.C. 1332 because the parties are citizens of different states and the matter in controversy exceeds \$75,000.

5. Venue is proper in this district under 28 U.S.C. 1441.

BACKGROUND

6. At all relevant times, Tegrant has been engaged in the manufacture and sale of custom plastic thermoformed packaging. This packaging is commonly used in the retail sale of consumer goods.

7. At all relevant times, Defendants purchased Tegrant's custom plastic thermoforming packaging (the "Products") for use in Defendants' business.

8. Defendants ordered the Products from Tegrant by sending a purchase order to Tegrant. Tegrant mailed an invoice to Defendants confirming the purchase price, and specifying terms of Net 75 days.

9. From March 23, 2007 through August 17, 2007, Tegrant shipped and invoiced Defendants for \$1,659,107.85 in Products. Specifically, Tegrant shipped and invoiced Defendants for the following:

Invoice No.	Date	Amount Invoiced
12583	3/23/2007	17,118.00
12601	3/26/2007	11,047.17
12611	3/27/2007	16,570.75
12622	3/27/2007	4,564.80
12656	3/28/2007	11,349.24
12669	3/28/2007	998.55
12733	3/30/2007	23,965.20
12734	3/30/2007	5,998.03
12743	4/2/2007	14,835.60
12746	4/2/2007	15,594.88

12755	4/3/2007	18,259.20
12757	4/3/2007	11,996.06
12820	4/5/2007	6,229.05
12821	4/5/2007	3,948.70
12822	4/5/2007	12,428.06
12823	4/5/2007	8,697.15
12871	4/10/2007	23,820.46
12875	4/10/2007	8,197.31
12957	4/13/2007	95.10
12970	4/13/2007	19,193.70
12971	4/13/2007	12,272.71
13039	4/18/2007	16,794.49
13040	4/18/2007	5,706.00
13041	4/18/2007	5,230.50
13050	4/18/2007	2,757.90
13106	4/21/2007	7,997.38
13124	4/21/2007	11,996.06
13125	4/21/2007	7,845.75
13126	4/21/2007	1,141.20
13166	4/24/2007	17,118.00
13167	4/24/2007	12,553.20
13216	4/26/2007	4,469.70
13217	4/26/2007	25,106.40
13229	4/30/2007	333.22
13230	4/30/2007	13,633.92
13244	4/30/2007	299.90
13245	4/30/2007	14,835.60
13295	5/2/2007	17,042.40
13304	5/2/2007	12,553.20
13340	5/4/2007	15,906.24
13341	5/4/2007	11,996.06
13357	5/7/2007	1,999.34
13368	5/7/2007	27,267.84
13369	5/7/2007	20,659.89
13370	5/7/2007	1,332.90
13382	5/7/2007	4,564.80
13411	5/9/2007	19,314.72
13412	5/9/2007	3,998.69
13422	5/9/2007	5,998.03

13481	5/11/2007	1,514.88
13490	5/11/2007	1,569.15
13494	5/11/2007	999.67
13495	5/11/2007	17,194.36
13496	5/11/2007	6,697.80
13504	5/11/2007	9,700.20
13505	5/11/2007	20,303.85
13511	5/14/2007	13,670.87
13519	5/14/2007	7,997.38
13526	5/14/2007	7,988.40
13542	5/15/2007	6,214.03
13551	5/15/2007	10,984.05
13552	5/15/2007	12,172.80
13578	5/16/2007	19,884.90
13585	5/16/2007	11,412.00
13622	5/18/2007	23,613.32
13637	5/18/2007	7,608.00
13649	5/21/2007	32,312.97
13728	5/24/2007	28,273.85
13741	5/25/2007	26,927.47
13773	5/29/2007	15,923.46
13778	5/29/2007	11,004.02
13844	5/31/2007	23,993.07
13868	6/1/2007	12,082.84
13869	6/1/2007	11,996.04
13892	6/4/2007	6,997.70
13893	6/4/2007	18,693.87
14241	6/27/2007	9,705.15
14242	6/27/2007	7,940.85
14265	6/27/2007	15,594.88
14266	6/27/2007	14,835.60
14306	6/28/2007	5,998.03
14307	6/28/2007	13,694.40
14340	6/29/2007	15,976.80
14368	7/2/2007	13,463.74
14369	7/2/2007	349.89
14370	7/2/2007	8,245.05
14371	7/2/2007	4,564.80
14382	7/3/2007	13,463.74

14383	7/3/2007	12,308.40
14424	7/5/2007	13,463.74
14425	7/5/2007	12,229.50
14426	7/5/2007	95.10
14459	7/6/2007	13,463.74
14460	7/6/2007	12,308.40
14491	7/9/2007	15,880.30
14492	7/9/2007	9,744.15
5597951	3/23/2007	18,909.44
5598031	3/27/2007	21,756.60
5598074	3/29/2007	22,347.52
5598100	3/29/2007	6,876.16
5598121	3/29/2007	13,430.00
5598198	3/30/2007	11,066.32
5598201	3/30/2007	10,314.24
5598821	4/19/2007	8,541.48
5598837	4/19/2007	22,347.52
5599480	5/9/2007	22,347.52
5599564	5/11/2007	17,190.40
5599565	5/11/2007	4,512.48
5599618	5/14/2007	21,702.88
5599671	5/15/2007	14,826.72
5599673	5/15/2007	6,876.16
5599733	5/18/2007	23,207.04
5599902	5/23/2007	4,029.00
5600167	5/30/2007	22,347.52
5600197	5/31/2007	21,864.04
5601003	6/27/2007	22,347.52
5601023	6/27/2007	22,347.52
5601085	6/27/2007	22,347.52
5601174	6/29/2007	15,525.08
5601193	6/29/2007	6,446.40
5601204	6/29/2007	21,702.88
5601477	7/11/2007	22,347.52
5601515	7/12/2007	21,649.16
5601528	7/12/2007	18,211.08
14882	7/30/2007	355.05
14887	7/30/2007	499.84
14889	7/30/2007	4,142.69

15082	8/10/2007	19,875.90
15087	8/10/2007	8,330.60
15132	8/14/2007	10,270.80
15133	8/14/2007	12,553.20
15135	8/14/2007	6,371.70
15195	8/17/2007	13,884.60
	TOTAL	1,659,107.85

10. The invoices memorializing the above transactions are attached hereto as Exhibits A, A-1, A-2, A-3, A-4, A-5, A-6 and A-7.

11. To date, Tegrant has not received payment for any of the invoices listed in paragraph 9.

12. Despite requests, Defendants have never paid the invoices listed in paragraph 9.

COUNT I
(Breach of Contract)

13. Tegrant repeats and realleges the allegations of paragraph 1 through 12 as and for its allegations for paragraph 13 of this Count I.

14. Defendants placed orders with Tegrant for the Products.

15. Pursuant to those orders, Tegrant delivered the Products to Defendants.

16. Defendants accepted delivery of the Products as tendered.

17. Pursuant to delivery and acceptance of the Products as described above, Tegrant sent to Defendants the invoices listed in paragraph 9.

18. Defendant has breached the contract by failing to pay those invoices within 75 days.

19. Defendants owe Tegrant \$ 1,659,107.85.

COUNT II
(Unjust Enrichment)

20. Tegrant repeats and realleges the allegations of paragraph 1 through 12 as and for its allegations for paragraph 20 of this Count II.

21. Based on Defendants' orders, Tegrant has provided the Products to Defendants and invoiced Defendants for such Products. Defendants have gained a benefit from the Products provided by Tegrant, recognized such benefit, and appreciated the gain from such benefit, by using such Products in Defendants' business, without paying for such Products.

22. There is an amount due from Defendants to Tegrant for the Products provided by Tegrant. Tegrant has demanded payment from Defendants, but Defendants have wrongfully refused to pay Tegrant the amount due.

23. By refusing to pay amounts due Tegrant for the Products provided, Defendants retained a benefit under circumstances that would be unjust.

24. Defendants owe Tegrant \$ 1,659,107.85.

COUNT III
(Breach of Contract)

25. Tegrant repeats and realleges the allegations of paragraph 1 through 12 as and for its allegations for paragraph 25 of this Count III.

26. In addition to the Products that were ordered, invoiced and shipped as described in paragraph 9, Defendants owe Tegrant for the plastic material in stock which had been acquired to manufacture the Products ordered by Defendants, and the Products manufactured by Tegrant but not shipped to Defendants because of Defendants' refusal to pay for the Products described in paragraph 9.

27. Tegrant cannot use the plastic material in stock because Tegrant does not use the plastic material for Products other than ordered by Defendants. Tegrant cannot otherwise sell the

Products manufactured for Defendants because there is no other market for the manufactured Products.

28. Tegrant remains ready willing and able to ship the Products ordered by Defendants upon receipt of payment for the Products.

29. As of March 7, 2007, Defendants owe to Tegrant \$109,725.34 for the plastic material in stock and \$5,011.72 for the Products manufactured for but not shipped to Defendants.

WHEREFORE, Tegrant Alloyd Brands, Inc. prays for the following relief:

- (A) A judgment in favor of Tegrant Alloyd Brands, Inc. and against U.S. Merchants, Inc. and The Merchant of Tennis, Inc. for \$1,773,844.91 and prejudgment interest; and,
- (B) such further relief as the Court deems just and proper.

Respectfully submitted,

TEGRANT ALLOYD BRANDS, INC.

By: s/ John J. O'Malley
One of Its Attorneys

Dated March 14, 2008

John J. O'Malley
Seyfarth Shaw LP
131 South Dearborn Street
Chicago, Illinois 60603
(312) 460-5514